United Nations E/CN.17/IFF/2000/2

# Economic and Social Council

Distr.: General
23 November 1999

Original: English

**Commission on Sustainable Development**
**Intergovernmental Forum on Forests**
Fourth session
New York, 31 January-11 February 2000
Item 5 of the provisional agenda*
**International arrangements and mechanisms to promote the management, conservation and sustainable development of all types of forests (programme element III)**

## Priority forest policy issues

### Note by the Secretariat

*Summary*

The present note provides background information on some of the forest issues of international concern as well as policy responses through the Intergovernmental Panel on Forests and the Intergovernmental Forum on Forests (IPF/IFF) process. It stresses the cross-sectoral nature of the forest policy issues as well as the scope of sustainable forest management as an integral part of overall sustainable development. Among the wide range of forest issues of concern, the note discusses deforestation; production and consumption; trade of forest goods and services; conservation and sustainable use of biological diversity; and the role of forests in climate change and other global environmental issues.

The note also summarizes the evolution of policy deliberations from the United Nations Conference on Environment and Development through IPF to IFF, and points out some of the main results of this process, including identifying priority issues; building consensus on the nature of the many complex issues; formulating approaches to address forest issues from the perspective of sustainable development; fostering North-South partnerships; and increasing participation and enhanced coordination among United Nations and other international organizations. Further progress is still to be achieved on some policy issues related to sustainable forest management, including capacity-building, financing, transfer

* E/CN.17/IFF/2000/1.

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Furthermore, the note identifies some of the prerequisites for feasible approaches to addressing critical issues in international collaboration, and the main challenges to reaching an agreement on future international arrangements and mechanisms on forests, emphasizing the urgency of moving from policy deliberations to action.

The note is to be seen as a companion document to the note by the Secretariat on elements and functions for a future international arrangement and mechanism (E/CN.17/IFF/2000/3), and is intended to provide background information on priority policy issues for the report of the Secretary-General (E/CN.17/IFF/2000/4). It is not intended for negotiation at the fourth session of the Forum.

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## I. Introduction

1. The present note, a companion document to the note by the Secretariat #2 (E/CN.17/IFF/2000/3) on elements and functions, aims to provide background information to the report of the Secretary-General (E/CN.17/IFF/2000/4). It includes an overview of some areas of concern related to forests, in which during the Intergovernmental Panel on Forests (IPF)/Intergovernmental Forum on Forests (IFF) processes, significant progress has been achieved since the United Nations Conference on Environment and Development (UNCED). It also describes some prerequisites for feasible approaches to address critical issues in international collaboration, and notes some of the challenges for achieving the management, conservation and sustainable development of all types of forests.

2. The present note is not intended for negotiation at the fourth session of the Forum.

## II. Some forest concerns warranting further action at the international level

### A. Current state of the world's forests

3. The latest global data on forest cover indicate that in 1995, there were 3.4 billion hectares (ha) of natural and planted forests worldwide and 1.7 billion ha of other wooded land.[1] Between 1990 and 1995, there was a loss of 65.1 million ha of forests in developing countries due to deforestation, while an increase of 8.8 million ha in forest area occurred in developed countries, resulting in a net decrease in forest area by 56.3 million ha. This trend of alarming rates of deforestation continues to attract the world's attention to the effects of deforestation on the earth's forests ecosystems as well as to the well-being, livelihood and subsistence of hundreds of millions of poor rural people in many developing countries. Major direct causes of the change in forest cover include conversion of forests to agricultural land, large developments of infrastructure in developing countries and the establishment of forests on abandoned agricultural land in developed countries. Indirect causes include undefined land tenure and lack of forest valuation.

### B. Forests as a cross-sectoral policy issue

4. A significant shift in attitudes has taken place in recent years on approaches to address forest issues. Today, international attention is increasingly focused on all types of forests instead of only tropical forests, and forests are now valued not only for timber production but also as a reservoir of biological diversity, a provider of critical environmental and social services and an essential element of the livelihood of local people.

5. Forest issues are complex and cross-sectoral from political and policy perspectives. Sustainable forest management incorporates economic, ecological, social and cultural dimensions, and is thus closely linked with various other sectors and their development. An illustration of the cross-sectoral nature of forest policy and the linkages between forest and other sectors is evident in Agenda 21.[2] In addition to chapter 11 on combating deforestation, Agenda 21 also refers to forests or forest management directly in 16 other chapters. They cover issues from demographics (chap. 5) and human settlements (chap. 7) through issues dealing with conservation and management of resources for development, including atmosphere (chap. 9), land resources (chap. 10), desertification (chap. 12), mountains (chap. 13), agriculture and rural development (chap. 14), biological diversity (chap. 15), biotechnology (chap. 16), oceans and coastal areas (chap. 17) and freshwater (chap.18), to various aspects related to decision-making, such as major groups (chaps. 23-32), integration (chap. 8) and information (chap. 40). This makes new demands on the forest and related sectors to play a significant role in overall sustainable development, covering all natural resources and land uses, as well as industries and trade. The main challenge in many countries, both developing and developed, is to have a forest sector that is strongly oriented to sustainable development and that is able to participate and contribute effectively to the coordination and harmonization of policies between various sectors, interfacing with forest policy.

### C. Some major cross-sectoral concerns on forests

6. The wide range of concerns and priorities related to forests in the world are determined by the economic, social and political conditions, as well as the endowment of forest cover in countries. The many areas of concern that will need further attention at the international level include the following:

- The vital role of forests in economic development, employment and income generation as well as subsistence at the subnational and national levels, especially in rural areas for forest dwellers, including local and/or indigenous communities and women;
- Long-term supply of timber and other forest products and services in the context of increasing population and expanding economies;
- Conservation and sustainable use of biological diversity, realizing equitable benefits, and the need to establish protected forest areas;
- Protection of soil and watersheds, particularly in fragile ecosystems and vulnerable landscapes (drylands, coastal areas and mountains). Adequate forest cover is often a prerequisite for a safe and reliable water supply, as well as for enhancement of sustainable agriculture and food security;
- Climatic stability, including mitigation of human induced global warming;
- Other social and cultural services, such as recreation and protection of cultural, aesthetic and spiritual heritage, including sacred forests.

7. Many of these concerns, reflected in the Non-legally Binding Authoritative Statement of Principles for a Global Consensus on the Management, Conservation and Sustainable Development of All Types of Forests (Forest Principles)[3] and Agenda 21, especially chapter 11 on combating deforestation, have been deliberated within the IPF/IFF process. Some of these major concerns are introduced below.

### 1. Deforestation, population growth and poverty

8. Deforestation and forest degradation are widely recognized as one of the most complex and critical forest and environmental problems facing human society, with serious long-term economic, social and ecological consequences. Over the last two decades, deforestation has reached an alarming rate, mostly in developing countries as a result of changes in land-use from forest to agriculture. The annual rate of deforestation in developing countries for the period 1990-1995 was estimated to be 13.7 million ha.[1] Forest fires, caused naturally or deliberately by man for clearing land, have also resulted in serious forest degradation and loss in recent years. The climatic fluctuations associated with the El Niño phenomenon or such natural catastrophes as volcanic eruptions and the increase in the concentration of greenhouse gases in the atmosphere have further contributed to deforestation and forest degradation.

9. Population growth and poverty have long been considered among the fundamental underlying causes of deforestation. Research by the Centre for International Forestry Research (CIFOR), however, has shown that population growth rates and deforestation under high land productivity conditions are not in a simple relationship. Although the latest estimates by the United Nations Population Division show the world population reaching 8.9 billion persons in 2050 (with most of the growth in the least developed regions), the impact on forests is unlikely to be proportionate. However, in the least developed countries, population growth and poverty do force people to rely more directly on natural resources for subsistence and to occupy forest land for their agricultural and livestock activities and for fuelwood supplies.

10. Other factors contributing to the alarming rates of deforestation include inadequate capacity to meet the basic needs of health and education, forcing Governments to assign lower priority to forest and environment issues; inefficient agriculture, including subsidies for certain agricultural markets and export-oriented incentives, resulting in unsustainable land uses; lack of sound policy and institutional frameworks as well as of technical and human capacity; unclear land ownership and tenure arrangements; difficulties in providing incentives (e.g., compensation for farmers who keep their land forested and thus provide non-market environmental benefits to society) as well as alternatives (e.g., eco-tourism) that would generate income. In some cases, the above factors are associated with the resistance to change by powerful groups within society, rather than a lack of technical capacity. Added to these governance problems is corruption in forest industry and administration, an intractable and difficult problem in many parts of the world.

### Role of women in sustainable forest management

11. It is rural women that are most hurt by deforestation, yet they are also crucial to the solution. In many countries, especially developing countries, women play a major role in forest management by using their traditional knowledge for the benefit of the household and the community, as well as for the protection of forest ecosystems. In addition to collecting fuelwood, women plant trees, manage nurseries, protect and maintain forests around their villages and put products from nearby forests to multiple uses. Women commonly collect nuts, fruits, forage, medicines and oils from trees for use at home and for sale in local markets. They also teach this knowledge to their children, both boys and girls, and thereby pass this traditional knowledge to the next generation. Nonetheless, women still confront obstacles

that limit their ability to participate in community development programmes and prevent them from achieving a more powerful decision-making role regarding land tenure and management of forests. Both in developing and developed countries, forest activities with higher returns are still predominantly controlled by men. Better integration of women into forest management activities will require attention to fundamental sociocultural patterns of behaviour and expectations of both men and women. This is likely to accompany more general recognition of the significant potential of local people to contribute to strengthen forest management.

### 2. Conservation and sustainable use of biological diversity

12. Forest ecosystems are a major reservoir of biological diversity, holding the vast majority (between 50 per cent and 70 per cent according to different estimates) of the world's terrestrial species. Various processes, including those concerned with criteria and indicators for sustainable forest management, have recognized that the conservation of biological diversity constitutes an essential and integral element of sustainable forest management. However, the major concern remains that most natural forests, which host the greater level of forest biological diversity, are under threat and becoming increasingly deforested or degraded, and as a result their biological diversity is being dramatically reduced. In the context of the ecosystem approach, the conservation of forest ecosystems is increasingly seen as a prerequisite for benefiting from the goods and services that forests provide, including contributions to local economies and non-market benefits to society. Conservation of unique types of forests, including so-called old growth forests, has recently gained increasing political attention. Another challenge related to biological diversity is how to share responsibilities and achieve appropriately balanced mutual benefits between environment and forest sectors when setting operational goals for the conservation and sustainable use of biological diversity.

13. The Convention on Biological Diversity entered into force on 29 December 1993. Its main objectives include the conservation of biological diversity and the sustainable use of its components, as well as the fair and equitable sharing of the benefits arising from the utilization of genetic resources. The Conference of the Parties to the Convention, at its fourth meeting (Bratislava, May 1998), adopted a decision on forest biological diversity, including a work programme with the following elements: (a) holistic and inter-sectoral ecosystem approaches that integrate the conservation and sustainable use of biological diversity, (b) the ways in which human activities, in particular forest-management practices, influence biological diversity, (c) methodologies to advance the criteria and indicators for forest biological diversity, and (d) further research and technological priorities brought forward into the Convention from the IPF proposals for action. The work programme for forest biological diversity underlines, *inter alia*, the contribution of forest-related traditional knowledge to sustainable forest management. Forest biological diversity is now one of the five thematic areas of Convention activities, and thus forms a significant part of its agenda. Fruitful collaboration has taken place between the IPF/IFF and Convention processes, and through the participation of the Secretariat of the Convention in the Inter-Agency Task Force on Forests (ITFF).

### 3. Climate change

14. Forests play an important role in mitigating global climate change by storing carbon in biomass and soils, and by increasing their role as sinks when their area or productivity is increased. Conversely, forests also act as sources of greenhouse gases from forest fires, decay of biomass and disturbance of soils, resulting in emissions of carbon dioxide ($CO_2$). Thus, forests are correctly considered to be a net source of $CO_2$.

15. In addition to their role in mitigating climate change, forests are also a potential victim of global warming, with anticipated impacts on species composition, the existence of certain forest types or ecosystems, and such increased stresses as pests, pathogens and fires.

16. The United Nations Framework Convention on Climate Change entered into force on 21 March 1994. The adoption of the Protocol to the Convention in December 1997 established procedures to promote the reduction of greenhouse gases. Its modalities, rules and guidelines on forest-related provisions, accounting methods for carbon levels and forest-related terminology need further clarification. From the point of view of sustainable forest management, compliance with the Kyoto Protocol is considered by some to be unbalanced since forests are regarded as mainly performing one function — carbon sequestration and serving as a carbon sink — and thus the ecological sustainability of forests as well as the potentially negative socio-economic impacts of managing and protecting forests exclusively as carbon sinks are largely ignored.

17. There are potential opportunities to provide funding for rehabilitating degraded forests and restoring biodiversity in developing countries, including those with low forest

cover, through, for example, agroforestry. The clean development mechanism within the Kyoto Protocol provides opportunities for industrialized countries to cut the costs of mitigation by launching offshore projects in developing countries. In return, the developing countries can get technology and investment for promoting sustainable management of forests, which also mitigates climate change. In theory, such projects can also include carbon sequestration activities, but to date the Parties do not have a consensus on inclusion of forestry projects.

## 4. Production and consumption of forest goods and services

### Industrial wood

18. The role of forests in economic development is very significant, timber being one of the primary sources of income from forests in many countries. In many tropical countries, planted forests are also becoming an increasingly important part of national economies.

19. Demand for wood and forest products is largely driven by increases in population and general economic development. Higher per capita income is usually associated with increased consumption (currently occurring, for example, in many countries in Asia) and higher demand for recreation and environmental services (e.g., in Europe and North America).

20. Most studies agree that at the global level, wood supplies seem to be sufficient to meet industrial production requirements. Distribution, however, remains a problem, a situation similar to food and agricultural products, since many less developed countries lack financial resources to import wood and wood products. Major concerns related to the supply and demand for wood include unsustainable production and consumption levels in some parts of the world. The issue of insecurity of land tenure has also been identified as an important factor in such unsustainable management.

### Wood as a source of energy

21. It is estimated that in 1995, nearly two thirds of the 3,350 million cubic metres of wood harvested were used as woodfuel. Although woodfuels account for only 7 per cent of the world's total energy supply, wood is one of the major sources of domestic energy in developing countries, particularly in rural areas.[1]

22. In many developing countries, due to their higher reliance on wood for energy, the increased collection of fuelwood will lead to further deforestation and forest degradation, although there is evidence of adaptation through greater use of alternate energy sources. On the other hand, in many developed countries, where woodfuels are less significant but may account for up to 17 per cent of all energy use, there is a need to promote the use of wood as a renewable source of energy to replace some fossil fuels, which would also significantly reduce $CO_2$ emissions. Thus, how wood is used for energy purposes leads to different impacts on forests and environment.

### Non-wood forest products and services

23. Non-wood forest products (NWFPs) include a diverse array of goods, such as food products, game, building materials, medicines, fibres and goods of economic, cultural or spiritual significance. Although their large-scale commercial value is rarely significant, they are often socially and culturally as well as commercially important for people living in or close to forests. Some NWFPs lose social and economic relevance or importance as economies develop. The fundamental economic challenges for most NWFPs are related to their diversity, the small scale of their production, their limited significance in markets and their lack of development on an industrial scale.

24. Services provided by forests cover a wide range of ecological, economic, social and cultural implications, thereby further complicating the forest-related decision-making processes. In many cases, despite increasing interest and efforts undervaluation of wood and non-wood forest products and services, especially non-market benefits, impedes progress towards sustainable forest management.

## 5. Trade and sustainable forest management

25. The international trade in wood and non-wood forest products can affect sustainable forest management both positively and negatively. Difficulties in realizing positive impacts from trade are related to barriers on trade liberalization, access to market and internalization of environment-related costs. Trade liberalization, accompanied by sound environmental and social policies, could have positive impacts since sustainable forest management has the potential to promote economic development, contribute to poverty alleviation and reduce environmental degradation on a long-term basis. However, in the short term, the impacts of trade liberalization could be negative.

26. As a result of several negotiations under the auspices of the General Agreement on Tariffs and Trade (GATT)/World Trade Organization (WTO) and other international and regional arrangements, tariffs on forest

products are declining. There is, however, a wide range of non-tariff barriers, including quantitative restrictions, health and technical standards, bans, domestic subsidies and most recently certification and eco-labelling, that deal with forest management. Certification initiatives are increasing, and they range from mandatory to voluntary and from national to international initiatives.

27. More practical experience is still needed to prove the effectiveness of certification to improve forest management, especially in countries where deforestation is greatest, i.e., in tropical developing countries. The role of Governments in certification is also emerging. Trade restrictions in isolation cannot be expected to effectively address deforestation since most of the global roundwood consumption and production is used domestically as fuelwood and local timber. Other important concerns include illegal logging and trade, obscure pricing and accounting practices, corruption and "traditional" processing and marketing problems that prevent profitability. In addition, policies and actions outside the forest sector have significantly greater effects on trade than those within its control.

### 6. Environmentally critical areas

28. Forests in arid zones and in some mountain and coastal areas as well as on small islands generally have lower economic value but high environmental and social importance, associated with their protective functions, as well as a source of a wide range of and non-wood forests products for local people. Forests in environmentally critical areas are especially susceptible to degradation and destruction resulting from both human activities and natural disturbances. In many countries with low forest cover and fragile forest ecosystems, rehabilitation and sustainable management of forests lack appropriate priority and focus in national political agendas.

29. The United Nations Convention to Combat Desertification in Those Countries Experiencing Serious Drought and/or Desertification, particularly in Africa, entered into force on 26 December 1996. The Convention's global mechanism aims at mobilizing the transfer of financial and technological assistance and collecting and disseminating information. When fully operative, it could also offer an opportunity to raise financial assistance for forest-related projects.

### 7. Institutional and policy issues

30. Numerous demands on forests and the emergence of many different stakeholders have lead to a very complex forest policy context. In many countries, there is often a lack of efficient coordination and policy harmonization between the forest sector and other sectors, as well as a lack of institutional capacity to deal effectively and efficiently with all forest issues. A lack of a common institutional arrangement to address forest issues is a serious shortcoming. This has resulted in a fragmented approach to forest issues and a lack of cohesiveness, which has often created conflicts among special interest groups and between different administrative bodies. In both developed and developing countries, many forest-related issues, such as the conversion of forests to other land-uses, are dealt with outside the forest sector. At the international level also, various sectors interfacing with forests rarely meet to discuss interrelated and cross-sectoral issues.

31. Inadequate national implementation of sustainable forest management in many parts of the world is associated with a wide range of causes. One of the greatest concerns is the lack of sustained political commitment to what has already been agreed internationally. Political commitment requires considerable changes in attitudes. Inadequate policy coordination and harmonization between various levels (local, national, regional and global) and between all relevant sectors result in inconsistencies both inside and outside the forest sector as well as among various international instruments (e.g., the above-mentioned Conventions). There is also a lack of institutional capacity and administrative systems to support the implementation of national and international commitments. Often the challenges related to institutional and administration capacities are a matter of prioritizing the use of resources rather than a technical matter. Furthermore, in some cases, national and local decision-making on forests still fails to recognize the important existing and potential roles of relevant major groups, especially local and/or indigenous communities, user groups and women. The substantial involvement of all these actors is critical if sustainable forest management is to become a reality.

32. Another institutional problem is the lack of equitable access to financial and technical support by all developing countries. Better donor coordination and sustained long-term donor commitment would improve this situation.

33. While cooperation among the members of ITFF is widely recognized, there is inadequate coordination among many international organizations and instruments that request forest-related information, as well as a lack of clear focus at the national level to supply this information.

# III. Evolving deliberations on forest policy

## A. Policy responses: the three tracks

34. During the last decade, forest issues have been negotiated by Governments along three interrelated tracks.

35. The first, which may be called the "sustainable forest management track", has focused on the management, conservation and sustainable development of all types of forests in a holistic, cohesive and comprehensive manner. This includes UNCED, which formulated the Forest Principles and Agenda 21, especially chapter 11, as well as the IPF/IFF process (see paras. 39-47 below). Management, conservation and sustainable development of all types of forests is the primary focus of negotiation on this track.

36. The second track, which may be called the "international trade track", has focused on setting the rules for international trade of commodities and services that also include forest products and services. Efforts have centred on the reduction of tariffs and promotion of free trade, as a part of the general trend towards the removal of all trade barriers. At the same time, however, there have been increasing demands that forest products and services originate from sustainably managed forests, as reflected, for example, in "Objective 2000" of the International Tropical Timber Organization (ITTO). The trade track has also included, for example, international bans of certain tropical timber products under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) and the imposition of the so-called non-tariff trade barriers through environmental requirements for forest products.

37. The third track may be called the "global environmental issues track". This includes global environmental issues, such as biological diversity, climate change, combating desertification and international trade in endangered species, treated under the above-mentioned Conventions, as well as many other environmental, trade and other international agreements. Under this track, forest-related elements play only a supportive role to address other global environmental issues.

38. In the second and the third tracks, forests or their functions are subject to another trade or environmental issue or they are considered as solutions to environmental problems, such as desertification or global warming. Despite the different status of forests in these two tracks, all three tracks are nevertheless interlinked, and there is a need for stronger collaboration and coordination among these processes.

**Three tracks of intergovernmental deliberations on forest policy**

| International trade track | Sustainable forest management track | Global environmental issues track |
|---|---|---|
| • WTO<br>• International Tropical Timber Agreement (ITTA)<br>• CITES<br>• Others | • UNCED 1992<br>Chapter 11 and other chapters of Agenda 21<br>Forest Principles<br>• IPF 1995-1997<br>• IFF 1997-present<br>• ITTA | • Convention on Biological Diversity<br>• United Nations Framework Convention on Climate Change<br>• Convention on Combating Desertification<br>• CITES<br>• Others |
| Primary focus of each track | | |
| International trade | ↔ Management, conservation and sustainable development of all types of forests | ↔ A global environmental issue with forest-related element |

## B. From UNCED through IPF to IFF

39. At UNCED, forests were among the most controversial issues being negotiated. Several years of international attention focusing almost exclusively on deforestation in tropical forests had created a situation in which developing countries, in particular forest-rich tropical countries, felt that their sovereignty over their natural resources was being threatened. They also felt that insufficient attention had been given to historic deforestation in industrialized countries and to existing threats to temperate and boreal forests. The prevailing North-South polarization concerning forests, therefore, did not permit agreements beyond the Forest Principles, Chapter 11 of Agenda 21 ("Combating Deforestation"), and reference to forests in 16 other chapters.

40. In contrast, the post-UNCED period from 1992 to 1995 was a confidence-building period with emerging North-South dialogue and partnerships, enabling the Commission on Sustainable Development, at its third session, in April

1995, to establish IPF to continue intergovernmental forest policy deliberations. The mandate of IPF was for a two-year period (1995-1997) and its programme of work involved several complex and politically sensitive issues, categorized as:

I. Implementation of forest-related decisions of UNCED at the national and international levels, including an examination of sectoral and cross-sectoral linkages;

II. International cooperation in financial assistance and technology transfer;

III. Scientific research, forest assessment and the development of criteria and indicators for sustainable forest management;

IV. Trade and environment in relation to forest products and services;

V. International organizations and multilateral institutions and instruments, including appropriate legal mechanisms.

41. The two years of intensive deliberations by IPF, supported by numerous meetings of experts, resulted in over 100 negotiated proposals for action on a number of issues related to sustainable forest management, including national forest programmes, forest assessment, criteria and indicators, traditional forest-related knowledge and underlying causes of deforestation. This large number of proposals for action by IPF is not surprising when one considers the broad spectrum of ecological, economic, social and cultural conditions related to forests in both developing and developed countries. Matters requiring further consideration — either because consensus could not be reached or because further analysis was required — included issues related to finance, transfer of technology, trade, and institutions and legal instruments.

42. The outcome of the Panel was endorsed by the Commission at its fifth session, in April 1997, the General Assembly at its nineteenth special session, in June 1997, and by many other high-level political forums. However, in view of the remaining unresolved issues, the General Assembly recommended a continuation of the intergovernmental policy deliberations on forests. Subsequently, the Economic and Social Council, in July 1997, decided to establish the ad hoc, open-ended Intergovernmental Forum on Forests under the Commission, with a mandate consisting of the following three, interrelated, categories:

I. Promoting and facilitating the implementation of the proposals for action of IPF, and reviewing, monitoring and reporting on progress in the management, conservation and sustainable development of all types of forests;

II. Considering matters left pending and other issues arising from the programme elements of the IPF process;

III. International arrangements and mechanisms to promote the management, conservation and sustainable development of all types of forests.

43. IFF will report to the Commission at its eighth session, in April 2000. The outcome of the fourth session of IFF as well as the decision to be taken by the Commission will determine the future and the form of the international agenda on policy, cooperation and action on forests.

## C. Highlights of the IFF/IPF process

44. The IPF/IFF process has been instrumental in identifying priority issues as well as creating a political consensus on national and international action on forests. In this dynamic process, the main driving force has been the political will to vitalize international cooperation on forests. The level of political consensus today is considerably higher than in 1992. Consensus has been reached in many areas, such as underlying causes of deforestation and forest degradation, criteria and indicators, national forest programmes, forest conservation and protected areas, and forest research, to mention just a few. Some issues, such as traditional forest-related knowledge, are still in the early or medium phase of policy development, although proposals for action have been made during the IPF/IFF process. Less progress has been achieved to date on trade and sustainable forest management, especially on transfer of technology and financial resources related to sustainable forest management.

45. Documentation produced under the IPF/IFF process, including outputs of the large number of meetings of experts sponsored by Governments and NGOs and assisted by multilateral organizations, has provided a rich analysis of issues related to sustainable forest management, clarified terms and concepts and provided guidance on how to address many complex issues. Although the concept of sustainable forest management has been clarified throughout the IPF/IFF process, such as through the criteria and indicators initiatives, a definition acceptable to all parties remains elusive.

46. In addition, the IPF/IFF process has produced a number of other results, including:

- Establishment of an open and inclusive intergovernmental forum to deliberate forest policy and action;

- Establishment of a holistic approach that deals with all types of forests from a sustainable development perspective, with balanced consideration of social, economic and environmental aspects;
- Fostering North-South partnerships as well as contributions by NGOs, such as in co-sponsored expert meetings in support of the IPF/IFF process;
- Increased participation and engagement by Governments, as well as non-governmental organizations, including indigenous people's organizations;
- Enhanced coordination on forest-related matters among United Nations and other international organizations, for example, through ITFF.

### D. ITFF as the main institutional legacy of IPF/IFF

47. Following the establishment of IPF in April 1995, ITFF[4] was established, at Geneva in July 1995 to coordinate the inputs of international organizations to service the forest policy process. The Panel recognized the valuable contributions made by ITFF and commended it as an example of effective inter-agency collaboration. In fact, ITFF may be considered as the main institutional legacy of the IPF/IFF process. The scope of ITFF is now evolving beyond servicing IPF/IFF deliberations and the implementation of the IPF/IFF proposals for action to addressing some other critical issues, such as forest fires.

## IV. Prerequisites for feasible approaches towards sustainable forest management

### A. Five overarching principles

48. According to the Rio Declaration on Environment and Development,[5] the Forest Principles and as reaffirmed throughout the IPF/IFF process:

- States have the sovereign right to utilize their resources to meet their national policy objectives;
- States have the right to economic development in accordance with their social, economic, environmental and political conditions;
- States have common but differentiated responsibilities regarding collective global interest and concerns related to forests;
- States have the responsibility to ensure that activities within their jurisdiction or control do not cause damage to the environment of other States or areas beyond the limits of national jurisdiction;
- International cooperation should focus on building human and institutional capacity in developing countries to manage their forests sustainably.

### B. Sustainable forest management as a microcosm of sustainable development

49. Sustainable forest management needs to be seen in the context of overall sound land use and long-term national commitment to sustainable development, including all its social, cultural, economic and environmental dimensions. Sustainable forest management will not be possible under general conditions of poverty and corruption. Protection of forests for global benefits needs to first address and meet the needs of local communities living in and around such forests, as well as to contribute to national policy objectives.

50. The forest sector, on the other hand, may serve as a test case for harmonizing institutional arrangements, trade agreements, recognition of the rights of indigenous people, decentralization of decision-making etc. Forests have the potential to emerge as a sector that sets an example to harmonize policies and reconcile divergent interests, but this will require sustained political commitment and stronger, high-level forest institutions to be able to exert influence beyond the forest sector.

### C. National forest policies and institutional frameworks

51. A new international arrangement or mechanism on forests, cross-sectoral policy harmonization and new modalities for international cooperation must be based on sound national forest policies and programmes, technical and human capacity, and appropriate institutional frameworks. There is a need to incorporate sustainable forest management in the national development agenda, as well as to allocate the necessary human and financial resources to the forest sector. Above all, there is a need for sustained and strong political commitment to sustainable forest management.

52. Many or most developing countries and countries with economies in transition, however, remain without adequate institutional and financial capacity to make the necessary changes at the national level. The global transition to sustainable forest management must therefore include an element of sustained and enhanced international cooperation and assistance to these countries for an appropriate period of time.

### D. Partnerships

53. The forging of international partnerships related to forest issues is one of the highlights of the IPF/IFF process. These include Co-Chairing of both IPF and IFF by representatives of developing and developed countries; the co-sponsorship of government lead initiatives by many developing and developed countries as well as by major groups; and the coordination of forest-related activities among members of ITFF.

54. At the regional and subregional levels, countries are strengthening their cooperation on forests as, for example, in the Southern African Development Community (SADC), among countries of the Amazon Cooperation Treaty, in Central America, among Association of South-East Asian Nations (ASEAN) countries, and in the Pan-European Process. Regional and eco-regional processes on criteria and indicators for sustainable forest management continue to expand with joining of new countries and subregions. New or strengthened partnerships and networks are needed on forest research and information.

55. Country-driven national forest programmes, formulated through a participatory process, are widely recognized in the IPF/IFF process as the basis for sustained political commitment, setting national priorities and facilitating international cooperation on forests.

56. Furthermore, a multiplicity of other formal and informal networks and partnerships have emerged or have been strengthened during the IPF/IFF process, including among the private sector, the international forest research community and non-governmental organizations representing environment, development, forest industry, forest owners, indigenous people and other major groups. Some networks and initiatives, such as the World Commission on Forests and Sustainable Development, and the International Forest Advisers Group have supported and contributed to the IPF/IFF process in many areas. The CEO's ad hoc forum on forests, chaired by the President of the World Bank, brings together some of the leaders of the private sector and NGOs to foster constructive dialogue to examine policy issues related to forests and to build consensus on action.

57. As emphasized by all three keynote speakers at the third session of IFF, the Under-Secretary-General for Economic and Social Affairs, the Vice-President of the World Bank and the Deputy Director-General of FAO, the need to forge and strengthen partnerships is the key prerequisite for making progress on sustainable forest management. One of the major challenges ahead is to negotiate a future international arrangement and mechanism that consolidates the progress made to date; capitalizes on the new partnerships; has the necessary attributes to effectively facilitate the implementation of IPF and IFF proposals for action; and facilitates a general global transition towards sustainable forest management.

## V. Main challenges ahead

### A. Consolidating the progress on forests made since 1995

58. As described above, the IPF/IFF process has produced significant consensus and outputs on many complex and politically sensitive issues. The future international arrangement and mechanism needs to continue these intergovernmental forest policy deliberations by incorporating the results of UNCED, the IPF/IFF process and many voluntary international and regional initiatives. Furthermore, there is also a need to seek strong and sustained political commitment, coordinate forest-related components of existing legal instruments and mobilize resources to implement agreed actions. Any future arrangement and mechanism need also to include periodic political deliberations at the ministerial level and a mechanism involving high-level officials of Governments and international organizations and instruments. The fourth session of IFF is a timely opportunity to build on the successful IPF/IFF process, to agree on a future international arrangement and mechanism and to continue and strengthen, in an open, participatory and transparent manner, forest policy deliberations, coordination and implementation.

### B. Moving from policy deliberations to focused action: urgency to act

59. There is an urgency to take decisive action now. For each year of accepting business as usual, further deforestation and increasing demands on forest goods and

services will take humanity further away from the goal of sustainable forest management. It will also postpone remedial action in situations of scarcity, ecological degradation and human suffering. At the global level, in terms of biological diversity and human-induced climate change, business as usual can often only be characterized as short-sighted.

60. Irrespective of the form taken by a future international arrangement and mechanism on forests, there is an urgent need to implement the already agreed proposals for action, as well as to assess and report on progress made at the local, national, regional and global levels. This will include support to national forest programmes; strengthening national capacity for forest assessment and valuation, as well as promoting participatory approaches to decision-making and implementation; clarifying land tenure rights, including rights of local and/or indigenous communities; generating a favourable environment for private investments; removing existing barriers to international trade in forest products and services from sustainably managed forests; and strengthening international cooperation and inter-agency collaboration.

## C. Need to report progress and measure performance

61. In order to sustain political support, progress made towards sustainable forest management needs to be assessed and reported periodically. This means assessing progress made by all relevant parties — Governments, international and regional organizations, NGOs and the private sector — as well as existing forest-related instruments.

62. The collection, monitoring, organization, assessment, reporting and dissemination of data will involve substantial costs and institutional capacity. Therefore, duplication could be minimized by utilizing, where appropriate, existing reporting systems of international organizations and instruments, and by harmonizing concepts, definitions and terminology as well as existing monitoring and reporting systems. Criteria and indicators could play a major role in the reporting of progress towards sustainable forest management at the national, regional and global levels. To enable periodic and comprehensive reporting, there is a need to build and strengthen capacities at the national level.

## D. Mobilizing subnational, national, regional and global resources

63. The proposals for international support to sustainable forest management seem to evoke images of enormous sums of money, possibly accumulated in a fund governed by a heavy bureaucracy, creation of new unwanted international organizations or provision of excessive resources and influence to existing institutions. This, however, does not have to be the case. There is no doubt that the new international arrangement, the elements of its programme of work, as well as its principal functions will need to be carefully formulated and negotiated, including a mechanism for facilitating the financing of sustainable forest management. The following six approaches indicate that this may not be quite as impossible a task as it might first appear:

(a) *Mobilize national resources.* Not only has it always been clear throughout the UNCED process that national resources would constitute the major source of funding for sustainable forest management but there is also an increasing awareness in many countries, including developing countries, that the transition to sustainable forest management is in the national interest and therefore needs to be largely financed from national sources;

(b) *Build partnerships.* There is a move away from institutional "empire-building" towards a greater understanding of the value, efficiency and "business sense" of partnerships, not only among intergovernmental organizations but also among other multilateral, bilateral, non-governmental and private sector partners in development;

(c) *Mobilize support from the private sector.* The private sector is a major player in transfers of technology, capacity-building and economic development. There may be potential for private sector investments in countries other than only those richly endowed with forests;

(d) *Strengthen international cooperation.* Sustained long-term donor commitment and better donor coordination are needed to ensure equitable access to financial and technical support by all developing countries that implement IPF proposals for action and prepare national forest programmes as defined by IPF;

(e) *Spend smarter.* Present levels of official development assistance would go a long way towards financing the transitional phase of sustainable forest management if spent in the countries that have strong political commitment and appropriate governance, through

appropriate channels, in a timely fashion and according to locally defined needs and priorities;

(f) *Sustainable forest management requires additional resources mostly for the transition phase.* The word sustainable implies, among other things, economic sustainability. The ultimate consequence of this notion is that although sustainable forest management will require increased initial investments in forests, these will be mostly transitional in nature.

## VI. Conclusions

64. The future of the intergovernmental forest policy deliberations and cooperation is now at the crossroads. There are a number of areas of priority concern that need to be addressed urgently through whatever future international arrangements and mechanisms are decided by the Forum and the Commission on Sustainable Development. Many critical areas of concern require further attention and immediate action. Future solutions require strengthened capacity-building and partnerships as well as mobilizing and spending resources smartly, but above all they require strengthened and long-term political commitment.

65. The intergovernmental policy dialogue and deliberations have been going on for almost a decade, beginning with the UNCED preparatory process. IFF has continued deliberations on all issues left pending by IPF, leading to common understanding and progress on many complex and politically sensitive issues on the international forest agenda. It is unlikely, therefore, that after the fourth session of IFF, in February 2000, further intergovernmental policy deliberations alone, without means of implementation, will adequately address the critical issues at the national, regional and global levels.

66. What will be needed, however, is to move forward from policy dialogue and deliberations to strengthened commitment and action. In the year 2000, the timing for this transition is ideal: the fourth session of IFF is the opportunity for Governments to agree upon a feasible, action-oriented decision that will facilitate the implementation of agreed forest policy issues at the national, regional and global levels.

67. Elements and functions of future international arrangements and mechanisms for the management, conservation and sustainable development of all types of forests are discussed in the companion note by the Secretariat (E/CN.17/IFF/2000/3). Options for future arrangements and mechanisms are analysed in the report of the Secretary-General (E/CN.17/IFF/2000/4), for further deliberation at the fourth session of IFF.

*Notes*

[1] See Food and Agriculture Organization of the United Nations, *State of the World's Forests, 1999* (Rome, 1999).

[2] *Report of the United Nations Conference on Environment and Development, Rio de Janeiro, 3-14 June 1992*, vol. I, *Resolutions Adopted by the Conference* (United Nations publication, Sales No. E.93.I.8), resolution 1, annex II.

[3] Ibid., annex III.

[4] ITFF members include the following: Center for International Forestry Research (CIFOR); Food and Agriculture Organization of the United Nations (FAO); International Tropical Timber Organization (ITTO); secretariat of the Convention on Biological Diversity; Department of Economic and Social Affairs of the United Nations Secretariat; United Nations Development Programme (UNDP); United Nations Environment Programme (UNEP); and World Bank.

[5] *Report of the United Nations Conference on Environment and Development* ..., annex III.